

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

Component Unit Financial Statements
As Of June 30, 2022
And For The Year Then Ended
With
Independent Auditors' Report



**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

Component Unit Financial Statements
As of and for the Year Ended June 30, 2022
With Supplementary Information Schedules

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**FOURTH JUDICIAL DISTRICT COURT
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INDEPENDENT AUDITORS' REPORT

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

Independent Auditors' Report

The Honorable Robert C. Johnson, Chief Judge
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fourth Judicial District Court, Judicial Expense Fund (Court), a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Court of Monroe and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-10 and 54-59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Heads, shown on page 73, and the Justice System Funding Schedules for Receiving Entities and for Collecting/Disbursing Entities, shown on pages 74-75, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management. The Justice System Funding Schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session. Section 1 of the Schedule of Compensation, Benefits and Other Payments to Agency Heads and the Justice System Funding Schedules were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Heads and the Justice System Funding Schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Court's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 15, 2022

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION (PART A)



STATE OF LOUISIANA

Fourth Judicial District Court

PARISHES OF MOREHOUSE AND OUACHITA

300 ST. JOHN ST. - SUITE 400

Monroe, Louisiana 71201

TELEPHONE (318) 361-2260
FAX (318) 361-2273

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Fourth Judicial District Court provides an overview of the Court's activities for the year ended June 30, 2022. Please read it in conjunction with the Court's financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The Court's liabilities were in excess of its assets by \$1,569,139 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 1. Investment in capital assets, of \$97,160 includes office furniture and equipment, net of accumulated depreciation.
 2. Unrestricted net deficit of \$2,329,581 resulting from recognizing \$1,789,384 of post-retirement benefits and \$370,539 of retirement benefits payable at some time in the future.
 3. Restricted net position of \$663,282 represents the amount that may be used to meet the Court's obligations to citizens and creditors within the Court's designation and policies.
- The Court's total net position increased by \$165,498 during the current fiscal year.
- At the end of the most recent fiscal year, unassigned fund balance of the General Fund was \$421,125, or 26% of total current year General Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Court as a whole and present a long-term view of the Court's finances. Fund financial statements tell how governmental activities were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by also providing information about all the Court's governmental funds.

These financial statements consist of three sections: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and supplementary information.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

USING THIS ANNUAL REPORT (continued)

Reporting the Court as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Court's net position and changes in them. The Court's net position – the difference between assets, deferred outflows, liabilities, and deferred inflows – measure the Court's financial position. The increases or decreases in the Court's net position are an indicator of whether its financial position is improving or deteriorating. Other nonfinancial factors, however, such as number of cases handled by District Court as well as the number of judgeships approved by the State Legislature and the State's economic condition should be considered in order to assess the overall condition of the Court.

Currently, the Court has only governmental activities that provide for personnel, equipment, supplies, and other costs related to the proper administration of the District Court. Primarily court costs, fees, grants, warrants, and interest finance these activities.

Reporting the Court's Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Court's funds, not the Court as a whole. In addition to accounting for the court costs and fees and other revenues that finance activities of District Court, the Court also accounts for appropriations received from the Department of Health and Human Resources, State of Louisiana, related to child support cases and from the State of Louisiana Supreme Court to administer the Drug Court. The General Fund, the Child Support Fund, and the Court Services Fund are all governmental funds that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures only cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Court's operations and the services it provides. Governmental fund information helps you determine the amount of financial resources available to be spent in the near future to finance the Court's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

THE COURT AS A WHOLE

The Court had \$86,927 less court fees collected during the year ended June 30, 2022. The Court realized Supreme Court receipts related to the Drug Court that increased \$2,466 due to higher grant awards for the current fiscal year. The warrant revenue increased \$7,227 during the current fiscal year. The Court also had total expenditures totaling \$127,564 less than the prior year.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

THE COURT AS A WHOLE (continued)

Governmental Activities

The Court's liabilities exceeded its assets at the close of the fiscal year 2022 by \$1,569,139. For the fiscal year ended June 30, 2022, the net position increased by \$165,498 (or 9.5%) and the Court's revenue decreased by \$253,500 (or 7.2%). The revenue decrease was primarily related to witness fee and jury fee funds administered by the Ouachita Parish Police Jury. The Court received \$250,000 during the current fiscal year.

To aid in the understanding of the Statement of Activities some additional explanation is provided. Its format is significantly different than that of the Statement of Revenues, Expenses, and Changes in Fund Balance. The expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net Revenue/(Expense). The reason for this kind of format is to highlight the relative financial burden of each of the governmental functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Court costs and fees reported represent the majority of the revenues for the District Court function.

All other governmental revenues (such as interest) are reported as general.

THE COURT'S FUNDS

The following schedule presents a summary of general and special revenue funds net position:

Statement of Net Position (Deficit) Comparative Data

	June 30		Variance Increased (Decreased) Amounts	Variance Increased (Decreased) Percent (%)
	2022	2021		
Capital assets, net	\$ 97,160	\$ 132,892	\$ (35,732)	(26.9%)
Other assets	<u>1,727,865</u>	<u>1,892,044</u>	<u>(164,179)</u>	<u>(8.7%)</u>
Total assets	\$ 1,825,025	\$ 2,024,936	\$ (199,911)	(9.9%)
Deferred outflows of resources	<u>1,780,756</u>	<u>1,827,357</u>	<u>(46,601)</u>	<u>(2.6%)</u>
Total assets and deferred outflows of resources	<u>\$ 3,605,781</u>	<u>\$ 3,852,293</u>	<u>\$ (246,512)</u>	<u>(6.4%)</u>
Noncurrent liabilities	\$ 2,159,923	\$ 2,908,216	\$ (748,293)	(25.7%)
Other liabilities	<u>674,331</u>	<u>553,815</u>	<u>120,516</u>	<u>21.8%</u>
Total liabilities	\$ 2,834,254	\$ 3,462,031	\$ (627,777)	(18.1%)
Deferred inflows of resources	2,340,666	2,124,899	215,767	10.2%
Net position				
Net investment in capital assets	97,160	132,892	(35,732)	(26.9%)
Unrestricted (deficit)	(2,329,581)	(2,788,879)	459,298	(16.5%)
Restricted	<u>663,282</u>	<u>921,350</u>	<u>(258,068)</u>	<u>(28.0%)</u>
Total net position (deficit)	<u>\$ (1,569,139)</u>	<u>\$ (1,734,637)</u>	<u>\$ 165,498</u>	<u>(9.5%)</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

THE COURT'S FUNDS (continued)

How 2022 Compares with 2021 – Statement of Activities

The information below gives comparative data from the Statement of Activities for the fiscal years ended June 30, 2022 and 2021.

Statement of Activities Comparative Data

	<u>June 30</u>		Variance Increased (Decreased) Amounts	Variance Increased (Decreased) Percent (%)
	<u>2022</u>	<u>2021</u>		
Revenues				
Program revenues	\$ 781,500	\$ 937,582	\$ (156,082)	(16.6%)
General revenues	<u>2,495,830</u>	<u>2,593,248</u>	<u>(97,418)</u>	<u>(3.8%)</u>
Total revenues	<u>\$ 3,277,330</u>	<u>\$ 3,530,830</u>	<u>\$ (253,500)</u>	<u>(7.2%)</u>
Expenses				
Judicial expense fund	\$ 1,388,168	\$ 1,365,162	\$ 23,006	1.7%
Child support fund	714,808	701,001	13,807	2.0%
Court services	<u>1,008,856</u>	<u>1,152,569</u>	<u>(143,713)</u>	<u>(12.5%)</u>
Total expenses	<u>\$ 3,111,832</u>	<u>\$ 3,218,732</u>	<u>(106,900)</u>	<u>(3.3%)</u>
Change in net position	<u>165,498</u>	<u>312,098</u>	<u>(146,600)</u>	<u>(47.0%)</u>
Net position (deficit) beginning of year	<u>\$ (1,734,637)</u>	<u>\$ (2,046,735)</u>	<u>\$ 312,098</u>	<u>15.2%</u>
Net position (deficit), end of year	<u>\$ (1,569,139)</u>	<u>\$ (1,734,637)</u>	<u>\$ 165,498</u>	<u>9.5%</u>

The net position of the Court increased by \$165,498 (or 9.5%) from June 30, 2021 to June 30, 2022.

The following schedule presents a summary of General and Special Revenue Fund revenues and expenditures for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to the prior year.

	<u>FYE 2022</u>	<u>Percent</u>	<u>FYE 2021</u>	<u>Percent</u>	<u>Increase</u>	<u>Percent</u>
	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>	<u>from</u>	<u>Increase</u>
					<u>FYE 2021</u>	<u>(Decrease)</u>
Revenues						
Operating grants	\$ 282,800	9%	\$ 302,070	9%	\$ (19,270)	(6%)
Intergovernmental	2,488,832	76%	2,578,336	73%	(89,504)	(3%)
Charges for services	498,700	15%	635,512	18%	(136,812)	(22%)
Interest	3,210	-%	11,830	-%	(8,620)	(73%)
Other	<u>3,788</u>	<u>-%</u>	<u>3,082</u>	<u>-%</u>	<u>706</u>	<u>(23%)</u>
Total revenues	<u>\$ 3,277,330</u>	<u>100%</u>	<u>\$ 3,530,830</u>	<u>100%</u>	<u>\$ (253,500)</u>	<u>(7%)</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

THE COURT'S FUNDS (continued)

Statement of Activities Comparative Data (continued)

Intergovernmental revenues decreased due to an decrease in the court fees collected during the year. Interest revenue decreased due to the interest paid on accounts during the current year.

	<u>FYE 2022 Amount</u>	<u>Percent of Total</u>	<u>FYE 2021 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FYE 2021</u>	<u>Percent Increase (Decrease)</u>
Expenditures						
District court	\$ 3,560,935	100%	\$ 3,610,551	98%	\$ (49,616)	(1%)
Capital outlay	1,090	-%	79,038	2%	(77,948)	(99%)
Total expenditures	<u>\$ 3,562,025</u>	<u>100%</u>	<u>\$ 3,689,589</u>	<u>100%</u>	<u>\$ (127,564)</u>	<u>(3%)</u>

The total expenditures decreased moderately during 2022. The decrease of expenditures was mainly due to \$1,090 in capital outlays, whereas, prior year the Court had \$79,038 in capital outlay expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the General Fund and Special Revenue Funds' budgets were revised. The General Fund budget amendments were due to revenue increases in court fees, and warrants, and decreases in interest income. The General Fund budget amendments were due to expenditure increases in insurance and telephone, with decreases in retirement, salaries, and seminars, meetings, and travel.

The actual General Fund revenues were less than the final budget by \$1,489. Actual General Fund expenditures were less than the final budget by \$925.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of June 30, 2022, the Court had \$97,160 invested in capital assets including computer equipment and office furniture and equipment (see table below).

Computer equipment, including software	\$ 45,698
Office equipment and furniture	<u>51,462</u>
Ending capital assets	<u>\$ 97,160</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

THE COURT'S FUNDS (continued)

DEBT

At year end, the Court had a total of \$133,418 estimated for accrued compensated absences that represents the future liability for vacation earned but not used by District Court employees. That is an increase of four percent (4%) as shown in the following table. The Court also had a total of \$1,789,384 estimated for post-retirement benefit plan payable that represents a future liability for medical and life insurance available upon retirement by District Court employees. This is the twelfth year that this liability has been recognized. Net pension liability recognized by the Court was \$370,539 that represents a future liability for retirement by District Court employees. The pension related deferred inflows recognized by the Court was \$2,181,809 that represents contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in a subsequent period. The post-retirement benefit plan had related deferred inflows recognized by the Court of \$158,857 that represents contributions subsequent to the measurement date that will be recognized as a reduction of the net post-retirement liability in a subsequent period.

	FYE 2022 Amount	FYE 2021 Amount	Increase (Decrease) from FYE 2021	Percent Increase (Decrease)
Accrued compensated absences	\$ 133,418	\$ 128,088	\$ 5,330	4%
Post-retirement benefit plan payable	\$ 1,789,384	\$ 1,592,821	\$ 196,563	12%
Net pension liability	\$ 370,539	\$ 1,315,395	\$ (944,856)	(72%)
Post-retirement related deferred inflows	\$ 158,857	\$ 279,121	\$ (120,264)	(43%)
Pension-related deferred inflows	\$ 2,181,809	\$ 1,845,778	\$ 336,031	18%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Court operations are funded by court fees, court costs, the Parishes of Morehouse and Ouachita, and the Louisiana Supreme Court. The Probation/Drug Court Fund anticipates flat income and expense growth. The Judicial Expense Fund has been showing flat or declining revenues for several years while budgets have been trimmed back in certain areas to allow for more travel and technology improvements. Child Support Fund revenues have declined but expenses have increased and continue to be more than revenues. The Misdemeanor Probation Fund revenues have decreased during the current period but expenditures have also decreased, but continue to be more than revenues. Collections of costs and fines are showing a decrease overall.

SIGNIFICANT EVENTS

The implementation of the provisions of GASB 68 and 75 has had a major impact on the Fourth Judicial District Court. We have encountered many challenges with these pronouncements and determined our net pension liability and deferred inflows and outflows based upon the actuarial reports provided to us by the two different pension funds. Long-term debt now includes an accrued net pension liability of \$370,539, and an accrued post-employment benefit liability of \$1,789,384. See Notes 6 and 7 for detail discussions. The payments made to reduce this long-term debt do not present a problem for the Fourth Judicial District Court in the short or long term.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

SIGNIFICANT EVENTS (continued)

GASB Statement No. 87, "Leases" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this standard had no material effect on the Court's financial statements as of and for the year ended June 30, 2022.

Federal Courts have held that the way courts in Louisiana fund court operations is unconstitutional. The holding is that this is particularly applicable to assessment of fines and fees in criminal cases, with some portion of the money thereby raised going into the Judicial Expense Fund. The determination that the way courts raise funds to pay salaries, and other operating expenses, is unconstitutional, has resulted in a decrease in funds being raised for use by the Fourth Judicial District Court.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with general overview of the Court's finances and to show the Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Court Administrator's Office at The Fourth Judicial District Court, 300 St. John Street, Suite 400, Monroe, Louisiana, 71201.

Judge Benjamin Jones
Court Administrator
December 15, 2022

SECTION II
GOVERNMENT-WIDE FINANCIAL STATEMENTS

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,539,257
Accounts receivable	751
Due from other governmental units	181,777
Prepaid expenses and deposits	6,080
Capital assets	97,160
Total assets	\$ 1,825,025
Deferred outflows of resources	
Deferred outflows related to OPEB	\$ 138,994
Deferred outflows related to pensions	1,641,312
Deferred outflows related to rent paid	-
Deferred outflows related to maintenance costs	450
Total deferred outflows of resources	\$ 1,780,756
Total assets and deferred outflows of resources	\$ 3,605,781
Liabilities	
Accrued and other liabilities	\$ 51,251
Due to other governmental units	489,662
Compensated absences payable	133,418
Other post-employment benefits payable	1,789,384
Net pension liability	370,539
Total liabilities	\$ 2,834,254
Deferred inflows of resources	
Deferred inflows related to OPEB	\$ 158,857
Deferred inflows related to pensions	2,181,809
Total deferred inflows of resources	\$ 2,340,666
Net position	
Net investment in capital assets	\$ 97,160
Unrestricted (deficit)	(2,329,581)
Restricted	663,282
Total net position	\$ (1,569,139)
Total liabilities, deferred inflows of resources, and net position	\$ 3,605,781

See accompanying notes and Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Function/Program activities:	Expenses	Program Revenues			Changes in Net Position
		Operating Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue and Grants and Contributions	
Government Activities:					
Judicial Expense Fund	\$ 1,388,168	\$ -	\$ 51,372	\$ -	\$ 1,336,796
Child Support	714,808	-	-	-	714,808
Court Services:					
Misdemeanor Probation	503,449	459,292	-	-	44,157
Drug Court	354,173	39,408	114,054	-	200,711
Juvenile Drug Court	110,517	-	117,374	-	(6,857)
Reentry Court	40,717	-	-	-	40,717
Total government activities	<u>\$ 3,111,832</u>	<u>\$ 498,700</u>	<u>\$ 282,800</u>	<u>\$ -</u>	<u>\$ 2,330,332</u>
General revenues					
Intergovernmental					\$ 2,488,832
Interest					3,210
Other					<u>3,788</u>
Total general revenues					<u>\$ 2,495,830</u>
Changes in net position					\$ 165,498
Net position - beginning					<u>\$ (1,734,637)</u>
Net position - ending					<u>\$ (1,569,139)</u>

See accompanying notes and Independent Auditors' Report.

SECTION III
FUND FINANCIAL STATEMENTS

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court Fund	Reentry Court Fund	Total Governmental Funds†
Assets							
Cash and cash equivalents	\$ 636,348	\$ 419,041	\$ 451,682	\$ -	\$ 22,175	\$ 10,011	\$ 1,539,257
Accounts receivable	701	-	50	-	-	-	751
Due from other governmental units	69,742	56,150	-	29,883	12,593	13,409	181,777
Prepaid expenses and deposits	2,930	2,263	887	-	-	-	6,080
Due from other funds	10,000	127	-	309,228	-	-	- [†]
Total assets	\$ 719,721	\$ 477,581	\$ 452,619	\$ 339,111	\$ 34,768	\$ 23,420	\$ 1,727,865
Deferred outflows of resources							
Deferred rent paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred maintenance costs	-	450	-	-	-	-	450
Total deferred outflows of resources	\$ -	\$ 450	\$ -	\$ -	\$ -	\$ -	\$ 450
Total assets and deferred outflows	\$ 719,721	\$ 478,031	\$ 452,619	\$ 339,111	\$ 34,768	\$ 23,420	\$ 1,728,315
Liabilities and fund balances							
Liabilities							
Accrued and other liabilities	\$ 26,253	\$ 7,719	\$ 3,343	\$ 7,133	\$ 303	\$ 6,500	\$ 51,251
Due to other governmental units	212,880	76,687	137,817	34,618	20,751	6,909	489,662
Compensated absences payable	19,396	53,132	37,452	15,409	8,029	-	133,418
Due to other funds	127	-	279,228	-	30,000	10,000	- [†]
Total liabilities	\$ 258,656	\$ 137,538	\$ 457,840	\$ 57,160	\$ 59,083	\$ 23,409	\$ 674,331
Fund balances							
Nonspendable	\$ 2,930	\$ 2,263	\$ 887	\$ -	\$ -	\$ -	\$ 6,080
Restricted	37,010	338,230	-	281,951	-	11	657,202
Unassigned	421,125	-	(6,108)	-	(24,315)	-	390,702
Total fund balances	\$ 461,065	\$ 340,493	\$ (5,221)	\$ 281,951	\$ (24,315)	\$ 11	\$ 1,053,984
Total liabilities and fund balances	\$ 719,721	\$ 478,031	\$ 452,619	\$ 339,111	\$ 34,768	\$ 23,420	\$ 1,728,315

† After internal receivables and payables have been eliminated.

See accompanying notes and Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances - total governmental funds		\$ 1,053,984
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Deferred outflows - OPEB related		138,994
Deferred outflows - pension related		1,641,312
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Governmental capital assets	\$ 662,859	
Less accumulated depreciation	<u>(565,699)</u>	97,160
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Unfunded post-retirement benefit plan obligations are not financial expenditures and, therefore, are not reported in the funds		(1,789,384)
Net pension liability		(370,539)
Deferred inflows - OPEB		(158,857)
Deferred inflows - pension related		<u>(2,181,809)</u>
Net position of governmental activities		<u><u>\$ (1,569,139)</u></u>

See accompanying notes and Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court Fund	Reentry Court Fund	Total Governmental Funds
Revenues							
Court fees	\$ 210,722	\$ 666,760	\$ 459,292	\$ 39,408	\$ -	\$ -	\$ 1,376,182
Supreme court receipts	-	-	-	245,946	-	40,717	286,663
Grant revenue	51,372	-	-	114,054	117,374	-	282,800
Warrant revenue	1,074,687	-	-	-	-	-	1,074,687
Interest income	934	1,215	1,044	-	11	6	3,210
Other income	2,361	1,427	-	-	-	-	3,788
Total revenues	\$ 1,340,076	\$ 669,402	\$ 460,336	\$ 399,408	\$ 117,385	\$ 40,723	\$ 3,027,330
Expenditures							
Asset expenditures	\$ 1,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,090
Small asset expenditures	9,905	7,171	7,171	209	-	-	24,456
Court reporter/ process costs	3,839	-	-	-	-	-	3,839
Insurance expense	278,858	73,719	86,013	20,420	6,891	38	465,939
Internet access	7,206	1,459	2,094	549	86	-	11,394
Miscellaneous	1,336	509	387	-	-	-	2,232
Office supplies and postage	19,016	-	3,544	-	196	-	22,756
Payroll taxes	13,915	9,827	5,332	1,161	613	1,452	32,300
Professional fees	114,670	30,480	13,837	187,938	57,475	20,250	424,650
Reference materials and dues	4,055	76,410	3,371	350	50	-	84,236
Rent	10,108	5,797	4,993	2,400	-	-	23,298
Repair maintenance and warranty	2,165	1,741	2,583	-	-	-	6,489
Retirement expense	175,988	120,112	47,827	10,662	5,280	-	359,869
Salaries	916,315	498,280	398,984	92,209	44,757	18,977	1,969,522
Seminars meetings and travel	40,124	1,895	2,272	1,946	200	-	46,437
Supplies	-	3,540	3,514	54,572	4,046	-	65,672
Telephone and utility expense	10,041	3,139	4,666	-	-	-	17,846
Total expenditures	\$ 1,608,631	\$ 834,079	\$ 586,588	\$ 372,416	\$ 119,594	\$ 40,717	\$ 3,562,025
Excess (deficiency) of revenues over expenditures	\$ (268,555)	\$ (164,677)	\$ (126,252)	\$ 26,992	\$ (2,209)	\$ 6	\$ (534,695)
Other financing sources (uses)							
Operating transfers in	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (18,555)	\$ (164,677)	\$ (126,252)	\$ 26,992	\$ (2,209)	\$ 6	\$ (284,695)
Fund balances - beginning	479,620	505,170	121,031	254,959	(22,106)	5	1,338,679
Fund balances - ending	\$ 461,065	\$ 340,493	\$ (5,221)	\$ 281,951	\$ (24,315)	\$ 11	\$ 1,053,984

See accompanying notes and Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balance - total governmental funds	\$	(284,695)
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$ 1,090		
Depreciation expense	<u>(36,822)</u>		(35,732)

Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues

37,220

Pension expense

448,705

Change in Net Position of Governmental Activities

\$ 165,498

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ -
Total assets	<u>\$ -</u>
Liabilities	
Restitution to court-ordered recipients payable	\$ -
Total liabilities	<u>\$ -</u>

See accompanying notes and Independent Auditors' Report.

NOTES TO THE FINANCIAL STATEMENTS

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Judicial Expense Fund complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note. The Judicial Expense Fund has adopted the financial reporting requirements of GASB Statement No. 33 and 34.

The Judicial Expense Fund has adopted the financial reporting requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Pension*.

The Fourth Judicial District Court adopted Government Accounting Standard Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68. The adoption of GASB 68 and 71 required significant changes to the financial statements of the Fourth Judicial District Court. The principal objective of these Statements is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees, both active and inactive are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between government's inflow of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's pension obligations and the resources available to satisfy those obligations. An additional objective is to improve the information provided in government financial reports about pension-related financial support provided by certain non-employer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.

Financial Reporting Entity: The Fourth Judicial District Court, General Fund (Judicial Expense Fund) was created under the Act No. 52 of 1984, effective on the 60th day after final adjournment of the 1984 legislative session of the State of Louisiana. The effective date of funding was set on November 1, 1984.

The purpose of the fund is to provide sufficient funding to expedite efficient operation of the Court. In general, the fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration of the Court.

Special Revenue Funds: The purpose of each major special revenue fund and revenue source is listed below:

The Fourth Judicial District Court, Special Revenue Fund (Child Support) authority was created under the Act No. 517 of 1986, effective within one year after final adjournment of the 1986 legislative session of the State of Louisiana. In accordance with Louisiana Revised Statutes, §46:236.5 the Fourth Judicial District Court implemented this process beginning November 1, 1990.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The purpose of the fund is to provide an expedited process for establishment and enforcement of support obligations which are brought by the Department of Health and Human Services. Revenues are to be expended to administer the proceedings related to the expedited process.

The Fourth Judicial District Court, Special Revenue Fund (Misdemeanor Probation) authority was created under the Louisiana Code of Criminal Procedure Article 895.1C. The Fourth Judicial District Court issued an order signed *en banc* February 26, 1993 implementing this process. The purpose of the fund is to provide misdemeanor probation services by collecting monthly fines for establishment and enforcement of the probationary period. Revenues are to be expended to administer the proceedings related to the probation process.

The Fourth Judicial District Court, Special Revenue Fund (Drug Court) authority was created under the Louisiana Code of Criminal Procedure Article 193 and Article 18 by Rule XI of this Court. The drug treatment and probation program shall be established in accordance with the provisions of LSA R.S.13:5301-5304. The Fourth Judicial District Court issued an order signed *en banc* February 4, 2000 implementing the process effective January 1, 2000.

The Fourth Judicial District Court, Special Revenue Fund (Adult Drug Court) was granted an award of \$360,000 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

The purpose of the fund is to administer drug offense charges. Revenues are to be expended to administer the monitoring, counseling, and enforcement of drug offense probation.

The Fourth Judicial District Court, Special Revenue Fund (Juvenile Drug Court) was granted an award of \$120,000 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

The purpose of the fund is to administer juvenile drug offense charges. Revenues are to be expended to administer the monitoring, counseling and enforcement of juvenile drug offense probation.

The Fourth Judicial District Court, Special Revenue Fund (Reentry Court) was established in accordance with the provisions of LA R.S. 13:5401. The purpose of the fund is to facilitate economic success for citizens convicted of an offense. The goal of the Reentry Program is to reduce crime, combat recidivism, and enhance public safety.

The Fourth Judicial District Court, Special Revenue Fund (Reentry Court) was granted an award of \$42,000 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

Basis of Presentation: The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Type Definitions: In accordance with Governmental Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Fourth Judicial District Court classifies governmental fund balances as follows:

Nonspendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
Restricted	Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Fund balance may be committed by the judges of the Fourth Judicial District Court.
Assigned	Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the judges of the Fourth Judicial District Court.
Unassigned	Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

Fund Balance Type Actions: The Fourth Judicial District Court uses *restricted/committed* amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Fourth Judicial District Court would first use *committed*, then *assigned*, and lastly *unassigned* amounts of unrestricted fund balance when expenditures are made.

The Fourth Judicial District Court does not have a formal minimum fund balance policy.

A schedule of fund balances is as follows:

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court Fund	Reentry Court Fund	Total Governmental Increase (Decrease)
Fund balances							
Non spendable							
Prepaid expenses	\$ 2,930	\$ 2,263	\$ 887	\$ -	\$ -	\$ -	\$ 6,080
Restricted							
Families in Need of Services	37,010	-	-	-	-	-	37,010
Child Support enforcement	-	338,230	-	-	-	-	338,230
Court Services	-	-	-	281,951	-	11	281,962
Unassigned	421,125	-	(6,108)	-	(24,315)	-	390,702
Total fund balances	\$ 461,065	\$ 340,493	\$ (5,221)	\$ 281,951	\$ (24,315)	\$ 11	\$ 1,053,984

The Misdemeanor Probation Fund has a deficit fund balance of \$5,221. The Juvenile Drug Court Fund has a deficit fund balance of \$24,315.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accounting and reporting policies of the Fourth Judicial Court, Judicial Expense Fund conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, the industry audit guide, Audits of State and Local Governmental Units: Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and/or, where applicable, Public Law 98-502, the Single Audit Act of 1996, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance).

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board (GASB), the Judicial Expense Fund, Child Support, and Court Services are a part of the Fourth Judicial District Court, a component of the Ouachita Parish Police Jury judicial system. The financial reporting entity consists of (a) the primary government (Ouachita Parish Policy Jury), (b) organization for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Codification Section 2100 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Ouachita Parish Policy Jury to impose its will on that organization, and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Ouachita Parish Police Jury.
2. Organizations for which the Ouachita Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Ouachita Parish Police Jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Ouachita Parish Police Jury provides for the operation and maintenance of the Courtroom and office space of the Judges in its parish courthouse, the Fourth Judicial District Court was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Fourth Judicial District Court and do not present information on the Ouachita Parish Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic Financial Statements: *Government-wide financial statements* – The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund financial statements – The financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The funds of the Judicial Expense Fund are described as follows:

General Fund – The General Fund is the general operating fund and accounts for all activities of the Judicial Expense Fund except those required to be accounted for in another fund.

Special Revenue Fund – Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes. Included in special revenue funds are the Child Support Fund and Court Services Fund which includes Misdemeanor Probation, Drug Court, Juvenile Drug Court, and Reentry Court.

This report includes funds which are controlled by the Fourth Judicial District Court (Chief Judge and Judges) but determined to be a component unit of the Ouachita Parish Police Jury. The Ouachita Parish Police Jury has significant control over the Judicial Expense Fund in the area of necessary capital outlay. The Ouachita Parish Police Jury would present this component unit in a discreet presentation format if it were included in their financial statements. The funds are administered by the Court Administrator.

Measurement Focus and Basis of Accounting: Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of measurement focus applied.

Measurement focus – The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting – The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when “measurable and available” measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of GASB Codification Section N50.

Budgets and Budgetary Accounting: The Fourth Judicial District Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Court Administrator prepares a proposed budget for the General Fund and each Special Revenue Fund and submits same to the Chief Judge, prior to the beginning of each fiscal year.
2. The Chief Judge, Fourth Judicial District Court, signs written approval of the budgets.
3. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Chief Judge.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General Fund (Judicial Expense Fund), and Special Revenue Funds (Child Support Fund, Misdemeanor Probation Fund, Drug Court Fund, Juvenile Drug Court Fund, and Reentry Court), are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Amendments of the budget are prepared by the Court Administrator and the process is the same as indicated for the original budget during the fiscal year.

Budget Variance: The significant variation of actual expenses in the areas of telephone, insurance expense, payroll related expenses, supplies and travel expenses were primarily due to the uncertainties of budgeting. The Chief Judge and Judges were aware of the variances and approved the additional expenses.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments: In accordance with GASB Statement No. 31, the Court's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the credit standing of the issuer or by other factors, it is reported at fair value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Interfund Receivables/Payables: Short-term interfund loans are classified as interfund receivables/payables.

Prepaid Items: Advance payments for retirement are expensed as the period lapses. The balance in prepaid expense represents advance retirement payments or contracts due to expire during the subsequent months.

Capital Assets: In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000, or more are reported at historical cost. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer equipment, including software	3 – 10 years
Other office equipment	5 – 10 years
Furniture and fixtures	5 – 20 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition. Capital assets reported herein include only those assets purchased by the Judicial Expense Fund and do not reflect assets of the Court obtained from other sources.

Compensated Absences: The Fourth Judicial District Court accrues compensated absence expense based on unused vacation available to employees as of the last day of the fiscal year. Accrued compensated absence is recognized as a current year expenditure in the governmental funds. Accumulated sick leave is non-compensable, therefore, no provision has been made for unused sick leave.

Pension Plans: *Louisiana State Employees' Retirement System (LASERS)* – The Fourth Judicial District Court is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Parochial Employees' Retirement System of Louisiana – The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

Net Position: Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position balances are classified in the following three components:

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition of those assets. There was no outstanding debt attributable to these fixed assets as of June 30, 2022.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There were \$2,930 and \$37,010 in restricted net position as of June 30, 2022 related to the prepaid expenses, and Families in Need of Services Funds, respectively, in the General Fund. There were \$3,150 related to the prepaid expenses and \$620,192 restricted net position as of June 30, 2022 related to Special Revenue Fund balances.

Unrestricted net position – This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Equity: Designated fund balances represent tentative plans for future use of financial resources.

Interfund Transactions: Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Use of Estimates: The preparation of component unit financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

The Judicial Expense Fund had total actual expenditures less than total budgeted expenses for the year by \$925 or 0.1%.

The Child Support Fund had total actual expenditures more than total budgeted expenses for the year by \$2,538 or 0.3%.

The Misdemeanor Probation Fund had total expenditures less than total budgeted expenses for the year by \$1,523 or 0.3%.

The Drug Court Fund had total actual expenditures more than total budgeted expenses for the year by \$1,621 or 0.4%.

The Juvenile Drug Court Fund had total actual expenditures less than total budgeted expenses for the year by \$640 or 0.5%.

The Reentry Court Fund had total actual expenditures more than total budgeted expenses for the year by \$768 or 1.9%.

The Chief Judge and Judges were aware of any unfavorable variances and approved the additional expenses.

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Included as cash and cash equivalents are bank accounts and short-term investments, specifically certificates of deposit.

At June 30, 2022 the Fourth Judicial District Court had cash and cash equivalents (book balances) totaling \$1,539,257 as follows:

Noninterest-bearing demand deposits	\$ 35,546
Interest-bearing demand deposits	583,244
Time deposits	<u>920,467</u>
Total	<u>\$ 1,539,257</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risks - Deposits

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2022, the Fourth Judicial District Court had \$1,583,104 in deposits (collected bank balances). These deposits are secured from risk by \$1,119,261 of federal deposit insurance and \$463,843 of pledged securities held by the bank's agent in the name of the bank as of June 30, 2022.

In accordance with La R.S. 49:321, state depositing authorities shall require as security for deposit of state funds authorized bonds or other interest-bearing notes; authorized promissory notes, warrants, or certificates of indebtedness unmatured or payable on demand. Fair value, excluding interest, of such securities held by the depositing authority shall be equal to 100% of the amount on deposit to the credit of the depositing authority except that portion appropriately insured. Designated depositories may be granted a period not to exceed five days from the date of any deposit to post the necessary security.

B. Investments

Similar to cash deposits, investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1: Investments that are insured, registered, or held by the entity or by its agent in the Court's name.
- Category 2: Investments that are uninsured and unregistered, or held by the counterparty's trust department or agent in the Court's name.
- Category 3: Uninsured and unregistered investments held by the counterparty, its trust or its agent, but not in the Court's name.

NOTE 4 - ACCOUNT RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS

The receivables of \$751 at June 30, 2022 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Misdemeanor Probation Fund</u>	<u>Totals</u>
Other	\$ 701	\$ 50	\$ 751
Total	\$ 701	\$ 50	\$ 751

The Court considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 4 – ACCOUNT RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS (continued)

Amounts due from other governmental units consisted of the following:

General Fund

Judicial Expense Fund

Court fees – Ouachita Parish, Sheriff Department, State of Louisiana (includes expense reimbursement)	\$ 7,128
Court fees – Ouachita Parish, Clerk of Court, State of Louisiana (includes expense reimbursement)	44,364
Court fees – Ouachita Parish, Probation Court, State of Louisiana	100
Court fees – Morehouse Parish, Sheriff Department, State of Louisiana	3,716
Court fees – Morehouse Parish, Clerk of Court, State of Louisiana	930
Travel and expense reimbursement – Supreme Court, Justice Department, State of Louisiana	5,906
Expense reimbursement – Ouachita Parish Police Jury, State of Louisiana	6,170
Expense reimbursement – Ouachita Parish District Attorney, State of Louisiana	20
Families in Need Services Fund	
Expense reimbursement – Ouachita Parish District Attorney, State of Louisiana	<u>1,408</u>
Total	<u><u>\$ 69,742</u></u>

Special Revenue Funds

Child Support Fund

Court fees – Department of Health and Human Resources, State of Louisiana	\$ 54,711
Equipment rental reimbursement – Monroe City Court, State of Louisiana	82
Expense reimbursement – Ouachita Parish Police Jury, State of Louisiana	1,357

Drug Court Fund

Operation fees – Supreme Court, Justice Department, State of Louisiana	29,883
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Juvenile Drug Court Fund

Operation fees – Supreme Court, Justice Department, State of Louisiana	12,593
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Reentry Court Fund

Operation fees – Supreme Court, Justice Department, State of Louisiana	<u>13,409</u>
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Total	<u><u>\$ 112,035</u></u>
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**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance <u>June 30, 2021</u>	Additions	Retirements	Balance <u>June 30, 2022</u>
Government activities:				
Computers and printers	\$ 384,774	\$ -	\$ -	\$ 384,774
Equipment	<u>276,995</u>	<u>1,090</u>	<u>-</u>	<u>\$ 278,085</u>
Totals at historical cost	<u>\$ 661,769</u>	<u>\$ 1,090</u>	<u>\$ -</u>	<u>\$ 662,859</u>
Less accumulated depreciation for:				
Computers	\$ 322,869	\$ 16,207	\$ -	\$ 339,076
Equipment	<u>206,008</u>	<u>20,615</u>	<u>-</u>	<u>226,623</u>
Total accumulated depreciation	<u>\$ 528,877</u>	<u>\$ 36,822</u>	<u>\$ -</u>	<u>\$ 565,699</u>
Governmental activities:				
Capital assets, net	<u>\$ 132,892</u>	<u>\$ (35,732)</u>	<u>\$ -</u>	<u>\$ 97,160</u>

Depreciation expense was charged to governmental functions as follows:

Judicial Expense Fund	\$ 31,484
Child Support Fund	2,241
Misdemeanor Probation Fund	2,372
Drug Court Fund	265
Juvenile Drug Court Fund	<u>460</u>
	<u>\$ 36,822</u>

NOTE 6 - PENSION PLANS

The Fourth Judicial District Court implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions* and Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB 68. The standards require the Fourth Judicial District Court to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

At June 30, 2022, the Fourth Judicial District Court reported a total liability of \$ 370,539 for its proportionate share of the net pension liability (asset) in the following retirement plans:

Louisiana State Employees' Retirement System (LASERS)	\$ 1,178,621
Parochial Employees' Retirement System of Louisiana	<u>(808,082)</u>
Total	<u>\$ 370,539</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – PENSION PLANS (continued)

At June 30, 2022, the Fourth Judicial District Court reported total deferred outflows of \$1,641,312 for its proportionate share of the net pension asset in the following retirement plans:

Louisiana State Employee' Retirement System (LASERS)	\$ 1,479,896
Parochial Employees' Retirement System of Louisiana	161,416
Total	<u>\$ 1,641,312</u>

At June 30, 2022, the Fourth Judicial District Court reported total deferred inflows of \$2,181,809 for its proportionate share of the net pension liability in the following retirement plans:

Louisiana State Employees' Retirement System (LASERS)	\$ 1,417,819
Parochial Employees' Retirement System of Louisiana	763,990
Total	<u>\$ 2,181,809</u>

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS)

Pensions: For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description: Employees of the Fourth Judicial District Court, Judicial Expense Fund are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement: The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, house clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Deferred Retirement Benefits: The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

Disability Benefits: Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits: Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence, regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Permanent Benefit Increases/Cost-of-Living Adjustments: As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Employer Contributions: Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2022 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Appellate law clerks	Closed	7.50%	39.50%
Appellate law clerks hired on or after 7/1/06	Closed	8.00%	39.50%
Alcohol Tobacco Control	Closed	9.00%	42.60%
Bridge police	Closed	8.50%	38.60%
Bridge police hired on or after 7/1/06	Closed	8.50%	38.60%
Corrections primary	Closed	9.00%	39.00%
Corrections secondary	Closed	9.00%	43.30%
Harbor police	Closed	9.00%	14.30%
Hazardous duty	Open	9.50%	45.30%
Judges hired before 1/1/11	Closed	11.50%	43.70%
Judges hired after 12/31/10	Closed	13.00%	43.00%
Judges hired on or after 7/1/15	Open	13.00%	43.00%
Legislators	Closed	11.50%	35.80%
Optional retirement plan (ORP) before 7/1/06*	Closed	7.50%	37.60%
Optional retirement plan (ORP) on or after 7/1/06*	Closed	8.00%	37.60%
Peace officers	Closed	9.00%	41.40%
Regular employees hired before 7/1/06	Closed	7.50%	39.50%
Regular employees hired on or after 7/1/06	Closed	8.00%	39.50%
Regular employees hired on or after 1/1/11	Closed	8.00%	39.50%
Regular employees hired on or after 7/1/15	Open	8.00%	39.50%
Special legislative employees	Closed	9.50%	37.80%
Wildlife agents	Closed	9.50%	51.20%
Aggregate rate			40.20%

* For ORP the projected employer contribution effort was calculated using the shared UAL portion of the contribution rate of 37.6% for 2022.

The agency's contractually required composite contribution rate for the year ended June 30, 2022 was 39.5% and 39.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$228,453 for the year ended June 30, 2022.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the employer reported a liability of \$1,178,621 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Agency's proportion was 0.021414, which was an increase of 0.001994% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Agency recognized pension expense of \$82,630 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$174,605 for 2022.

At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,164	\$ -
Changes in assumptions	28,869	-
Net difference between projected and actual earnings on pension plan investments	-	(274,859)
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	1,221,410	(1,142,960)
Employer contributions subsequent to the measurement date	<u>228,453</u>	<u>-</u>
Total	<u>\$ 1,479,896</u>	<u>\$ (1,417,819)</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES’ RETIREMENT SYSTEM (LASERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$228,453 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2022	\$ 60,784
2023	\$ (42,354)
2024	\$ (62,445)
2025	\$ (122,360)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, is as follows:

Valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Expected remaining service lives	2 years
Investment rate of return	7.40% per annum, net of investment expenses*
Inflation rate	2.30% per annum
Mortality	Nondisabled members – Mortality rates for 2020 were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, disability, and retirement	Termination, disability, and retirement assumptions were projected based on a 5-year (2014-2018) experience study of the System’s members.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Salary increases

Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost of living adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

* The investment rate of return used in the actuarial valuation for funding purposes was 7.75%, recognizing an additional 35 basis points for gain sharing.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of re-balancing/diversification. The resulting expected long-term rate of return is 7.61% for 2021. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return *</u>
Cash	(0.29%)
Domestic equity	4.09%
International equity	5.12%
Domestic fixed income	0.49%
International fixed income	3.94%
Alternative investments	6.93%
Total	5.81%

* For reference only: Presented in LASERS 2021 CAFR, Long-Term Expected Real Rate of Return, Page 35.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability using the discount rate of 7.40%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

	<u>Changes in Discount Rate – 2021</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>6.40%</u>	<u>Discount Rate</u>	<u>8.40%</u>
		<u>7.40%</u>	
Employer's proportionate share of the			
Net Pension Liability	\$ <u>1,596,943</u>	\$ <u>1,178,621</u>	\$ <u>822,682</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS Comprehensive Annual Financial Report at www.lasersonline.org.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 - PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

Plan Description: The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have its own retirement system, and which elects to become members of the System. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements: All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits: Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits: Upon the death of any member of with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Survivor Benefits: A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the State or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits: A member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases: The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Employer Contributions: According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2021, the actuarially determined contribution rate was 10.38% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2021, was 12.25%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Schedule of Employer Allocations: The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year ended December 31, 2021, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2021.

Schedule of Pension Amounts by Employer: The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the Schedule of Employer Allocations.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the employer reported an asset of \$808,082 for its proportionate share of the Net Pension Asset. The Net Pension Liability was measured as of December 31, 2021 and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Asset was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2021, the Agency's proportion was 0.171550%, which was an increase of 0.00558% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Agency recognized pension expense of \$(136,699) less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$274,100 for 2022.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,823	\$ (58,567)
Changes in assumptions	42,143	-
Net difference between projected and actual earnings on pension plan investments	-	(698,977)
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	7,300	(6,446)
Employer contributions subsequent to the measurement date	<u>63,150</u>	<u>-</u>
Total	<u>\$ 161,416</u>	<u>\$ (763,990)</u>

\$63,150 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2022	\$ (119,880)
2023	\$ (276,028)
2024	\$ (187,334)
2025	\$ (79,328)

Actuarial Methods and Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability (asset) of the System's employers as of December 31, 2021, are as follows:

Total Pension Liability	\$ 4,504,994,211
Plan Fiduciary Net Pension	<u>4,976,037,622</u>
Total Net Pension Liability	<u>\$ (471,043,411)</u>

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Actuarial Methods and Assumptions (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021, is as follows:

Valuation date	December 31, 2021
Actuarial cost method	Entry age normal
Investment rate of return	6.40%, net of investment expenses, including inflation
Expected remaining service lives	4 years
Projected salary increases	4.75%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation rate	2.30%

The discount rate used to measure the total pension liability was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2021.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Total	100%	4.90%
Inflation		2.10%
Expected arithmetic nominal return		7.00%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Sensitivity of Changes in Discount Rate: The following presents the net pension liability (asset) of the participating employers calculated using the discount rate of 6.40%, as well as what the employer's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

	<u>Changes in Discount Rate – 2021</u>		
	Current		
	1% Decrease 5.40%	Discount Rate 6.40%	1% Increase 7.40%
Employer's proportionate share of the Net Pension Liability (asset)	\$ 144,065	\$ (808,082)	\$ (1,605,679)

Retirement System Audit Report: The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2021. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 – POST-RETIREMENT BENEFIT PLAN

The Court adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for the year ended June 30, 2018. Statement No. 75 addresses accounting and financial reporting for other postemployment benefits (OPEB) for health care and life insurance that are provided to employees of state and local governmental employers. In addition, Statement No. 75 supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*. Most significantly, the Court is required to recognize the remaining liability for its proportionate share of the OPEB liability of the State of Louisiana’s retiree health plans.

Plan Description: The Court is a participant in the State of Louisiana Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan through the Office of Group Benefits. Louisiana Revised Statutes 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy’s website at www.doa.la.gov/osrap.

Funding Progress: There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2022. The plan is funded on a “pay-as-you-go” basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

The contribution requirements of plan members and the Court are established and may be amended by La R.S. 42:801-883. Employer contributions are based on plan premiums and the employer contributions percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans.

The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

<u>Service</u>	<u>Employer Percentage</u>	<u>Retiree Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 – POST-RETIREMENT BENEFIT PLAN (continued)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability

At June 30, 2022, the Court reported a liability of \$1,789,384 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2021 and was determined by an actuarial valuation as of that date. The Court's proportionate share of the total collective OPEB liability at June 30, 2021, totaling \$1,592,821 was determined using a roll back of the same valuation to July 1, 2020, using the discount rate applicable on that date, and assuming no experience gains or losses.

The total collective OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial methods, assumptions, and other inputs applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method – entry age normal, level percentage of pay
- Estimated remaining service lives – 4.8
- Inflation rate – 2.40%
- Salary increase rate – consistent with the State of Louisiana's pension plan
- Discount rate – 2.18% based on the June 30, 2021 S & P's 20-year municipal bond index
- Mortality rate – based on the RP-2014 Combined Healthy Mortality Table, or RP-2014 Disabled Retiree Mortality Table; both tables projected on fully generated basis by Mortality Improvement Scale MP-2018
- Healthcare cost trend rates – 7.00% for pre-Medicare eligible employees grading down by 0.25% each year, beginning in 2021-2022, to an ultimate rate of 4.5% in 2032; 5.50% for post-Medicare eligible employees grading down by 0.25% each year, beginning in 2021-2022, to an ultimate rate of 4.5% in 2032; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building-block approach which considers the Consumer Price Index, gross domestic product, and technology growth.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.66% as of July 1, 2020, to 2.18% as of July 1, 2021.

There were eight (8) inactive employees currently receiving benefit payment during the year ended June 30, 2022.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 - POST-RETIREMENT BENEFIT PLAN (continued)

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate

The following presents the Court's proportionate share of the total collective OPEB liability using the current discount rate as well as what the Court's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
Proportionate share of total collective OPEB liability	\$ 2,076,810	\$ 1,789,384	\$ 1,558,257

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Court's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates as well as what the Court's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of total collective OPEB liability	\$ 1,560,093	\$ 1,789,384	\$ 2,072,214

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 – POST-RETIREMENT BENEFIT PLAN (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Court recognized OPEB expense of (\$3,273). At June 30, 2022, the Court reported deferred outflows of resources and deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,634	\$ 20,733
Changes in assumptions	100,360	138,124
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 138,994</u>	<u>\$ 158,857</u>

Deferred outflows of resources related to OPEB resulting from the Court's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	
2023	\$ (63,197)
2024	(16,171)
2025	34,195
2026	25,310
2027	<u>-</u>
	<u>\$ (19,863)</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 - DUE TO OTHER GOVERNMENTAL UNITS

Accounts due to other governmental units consist of the following:

General Fund

Judicial Expense Fund

Ouachita Parish Police Jury - State of Louisiana	\$ 209,618
Ouachita Parish Sheriff Department - State of Louisiana	<u>3,262</u>
Total general fund	<u>\$ 212,880</u>

Special Revenue Funds

Child Support Fund

Ouachita Parish Police Jury - State of Louisiana	\$ 75,056
Ouachita Parish Sheriff Department - State of Louisiana	1,631

Court Services Fund (Misdemeanor, Drug Court, Juvenile Drug Court, and Reentry Court)

Ouachita Parish District Attorney - State of Louisiana	6,909
Ouachita Parish Police Jury - State of Louisiana	188,686
University of Louisiana at Monroe - State of Louisiana	<u>4,500</u>
Total special revenue funds	<u>\$ 276,782</u>

NOTE 9 - COMPENSATED ABSENCES

At June 30, 2022, employees of the Fourth Judicial District Court have accumulated and vested \$133,418 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$19,396 is recorded as an obligation of the General Fund and \$114,022 is recorded as an obligation of the Special Revenue Funds.

NOTE 10 - CHANGES IN CUSTODIAL FUND DEPOSITS DUE OTHERS

A summary of changes in custodial fund deposits due others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Custodial Funds: Misdemeanor Probation Fund				
Ouachita Parish Sheriff's Department - Monroe, Louisiana	\$ -	\$ 5,717	\$ (5,717)	\$ -
Indigent Defender Board - Monroe, Louisiana	-	41,349	(41,349)	-
Criminal Court Fund - Monroe, Louisiana	-	9,643	(9,643)	-
Restitution recipients, Fourth District - State of Louisiana	-	<u>38,927</u>	<u>(38,927)</u>	-
	<u>\$ -</u>	<u>\$ 95,636</u>	<u>\$ (95,636)</u>	<u>\$ -</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 11 – GRANT PROGRAMS

Families in Need of Services (FINS)

The Court was ordered to furnish the administration and implementation of Families In Need of Services, per Title VII of the Louisiana Children’s Code, within the Fourth Judicial District, State of Louisiana.

Effective April 1, 2007 the Court entered into a contract with the Ouachita Parish District Attorney to administer the program.

The Fourth Judicial District Court, Judicial Expense Fund, continues to participate in another contract with the Louisiana Supreme Court, State of Louisiana under the “Families In Need of Services Program” (FINS). The contract was continued for the period beginning July 1, 2021 until June 30, 2022 and funded monthly from July 1, 2021 until June 30, 2022 for \$51,372.

The total expenditures of the Fourth Judicial District Court, Judicial Expense Fund related to the FINS program were \$51,372 for the fiscal year ended June 30, 2022.

Temporary Assistance for Needy Families (TANF)

The Fourth Judicial District Court, Court Services Fund, has been awarded from the Supreme Court of Louisiana, Drug Court Program funds that include federal grants totaling \$114,054 during the fiscal year ended June 30, 2022 from the “Temporary Assistance for Needy Families” (TANF) program for the Adult Drug Court program.

The total expenditures of the Fourth Judicial District Court related to this “Adult Drug Court” program were \$114,054 for the fiscal year ended June 30, 2022.

The Fourth Judicial District Court, Juvenile Drug Court Fund, has been awarded from the Supreme Court of Louisiana, Drug Court Program funds that include federal grants totaling \$117,374 during the fiscal year ended June 30, 2022 from the “Temporary Assistance for Needy Families” (TANF) program.

The total expenditures of the Fourth Judicial District Court related to this program were \$119,594 for the fiscal year ended June 30, 2022.

NOTE 12 – JOINT VENTURES

The Child Support Fund has entered into agreements with the Ouachita Parish Police Jury, Ouachita Clerk of Court, and the Morehouse Clerk of Court for reimbursement of salaries, payroll taxes, group insurance, retirement and workman’s compensation related to employees. The Misdemeanor Probation Fund and Drug Court Fund have also entered into agreements with the Ouachita Parish Police Jury for reimbursement of salaries, payroll taxes, group insurance, retirement and workman’s compensation related to employees. The Ouachita Parish Police Jury and Morehouse Parish Police Jury are reimbursed one dollar per page per case filed by those offices for costs directly related to the indigent cases of the Judicial Expense Fund included in these financial statements as a General Fund expense. As the Fourth Judicial District Court, Child Support Fund, Misdemeanor Probation Fund, and Drug Court Fund reimburses the other governmental units, the appropriate expense accounts are debited and reflected in the financial statements.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 13 – RISK MANAGEMENT

The Fourth Judicial District Court, Judicial Expense Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the Fourth Judicial District Court, Judicial Expense Fund carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 14 – ADOPTION OF NEW ACCOUNTING STANDARD

GASB Statement No. 87, "Leases" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this standard had no material effect on the Court's financial statements as of and for the year ended June 30, 2022.

NOTE 15 – SUBSEQUENT EVENTS

In accordance with ASC 855, the Court has evaluated subsequent events through December 15, 2022, the date these financial statements were available to be issued and has determined that there are no significant subsequent events that require recognition or disclosure through that date.

SECTION IV
REQUIRED SUPPLEMENTARY INFORMATION (PART B)

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
(JUDICIAL EXPENSE FUND)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Court fees - Ouachita Parish	\$ 156,200	\$ 173,965	\$ 171,996	\$ (1,969)
Court fees - Morehouse Parish	33,500	38,250	38,726	476
Grant revenue	51,372	51,372	51,372	-
Warrant revenue	1,074,600	1,074,687	1,074,687	-
Interest income	1,083	930	934	4
Other income	2,433	2,361	2,361	-
Total revenues	\$ 1,319,188	\$ 1,341,565	\$ 1,340,076	\$ (1,489)
Expenditures				
Asset expenditures	\$ 6,000	\$ 1,090	\$ 1,090	\$ -
Small asset expenditures	5,000	9,640	9,905	(265)
Court reporter costs	3,050	2,880	3,839	(959)
Insurance expense	266,795	283,481	278,858	4,623
Internet access	10,040	7,070	7,206	(136)
Miscellaneous	2,200	1,264	1,336	(72)
Office supplies and postage	19,087	18,967	19,016	(49)
Payroll taxes	16,420	13,930	13,915	15
Professional fees	103,815	102,330	114,670	(12,340)
Reference materials and dues	6,800	4,205	4,055	150
Rent	11,725	10,517	10,108	409
Repair, maintenance, and warranty	2,980	1,920	2,165	(245)
Retirement expense	182,625	175,908	175,988	(80)
Salaries	932,750	917,741	916,315	1,426
Seminars, meetings, and travel	62,175	50,430	40,124	10,306
Telephone expense	1,815	8,183	10,041	(1,858)
Total expenditures	\$ 1,633,277	\$ 1,609,556	\$ 1,608,631	\$ 925
Excess (deficiency) of revenues over expenditures	\$ (314,089)	\$ (267,991)	\$ (268,555)	\$ (564)
Other financing sources (uses)				
Operating transfers in	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (64,089)	\$ (17,991)	\$ (18,555)	\$ (564)
Fund balance - beginning	479,620	479,620	479,620	-
Fund balance - ending	\$ 415,531	\$ 461,629	\$ 461,065	\$ (564)

See Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(CHILD SUPPORT FUND)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Court fees	\$ 632,000	\$ 662,900	\$ 666,760	\$ 3,860
Interest income	7,105	1,213	1,215	2
Other income	-	1,505	1,427	(78)
Total revenues	\$ 639,105	\$ 665,618	\$ 669,402	\$ 3,784
Expenditures				
Asset expenditures	\$ 6,000	\$ -	\$ -	\$ -
Small asset expenditures	1,000	7,171	7,171	-
Insurance expense	75,425	74,670	73,719	951
Internet access	3,675	1,460	1,459	1
Miscellaneous	1,150	493	509	(16)
Payroll taxes	9,935	9,821	9,827	(6)
Professional fees	28,800	30,050	30,480	(430)
Reference materials and dues	72,500	75,500	76,410	(910)
Rent	5,795	5,798	5,797	1
Repair, maintenance, and warranty	1,280	1,417	1,741	(324)
Retirement expense	141,600	120,110	120,112	(2)
Salaries	526,700	498,550	498,280	270
Seminars, meetings, and travel	2,145	1,885	1,895	(10)
Supplies	2,850	3,750	3,540	210
Telephone and utility expense	925	866	3,139	(2,273)
Total expenditures	\$ 879,780	\$ 831,541	\$ 834,079	\$ (2,538)
Excess (deficiency) of revenues over expenditures	\$ (240,675)	\$ (165,923)	\$ (164,677)	\$ 1,246
Fund balance - beginning	505,170	505,170	505,170	-
Fund balance - ending	\$ 264,495	\$ 339,247	\$ 340,493	\$ 1,246

See Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(MISDEMEANOR PROBATION FUND)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amount		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Court fees	\$ 591,585	\$ 468,411	\$ 459,292	\$ (9,119)
Interest income	4,266	1,044	1,044	-
Total revenues	\$ 595,851	\$ 469,455	\$ 460,336	\$ (9,119)
Expenditures				
Asset expenditures	\$ 6,000	\$ -	\$ -	\$ -
Small asset expenditures	1,000	7,171	7,171	-
Insurance expense	96,565	88,000	86,013	1,987
Internet access	4,465	2,094	2,094	-
Miscellaneous	475	384	387	(3)
Postage	3,850	3,790	3,544	246
Payroll taxes	6,485	5,913	5,332	581
Professional fees	14,085	13,904	13,837	67
Reference materials and dues	1,285	3,333	3,371	(38)
Rent	7,405	5,032	4,993	39
Repair, maintenance, and warranty	15,685	2,260	2,583	(323)
Retirement expense	53,100	47,035	47,827	(792)
Salaries	439,600	399,100	398,984	116
Seminars, meetings, and travel	895	2,300	2,272	28
Supplies	6,450	3,920	3,514	406
Telephone and utility expense	6,650	3,875	4,666	(791)
Total expenditures	\$ 663,995	\$ 588,111	\$ 586,588	\$ 1,523
Excess (deficiency) of revenues over expenditures	\$ (68,144)	\$ (118,656)	\$ (126,252)	\$ (7,596)
Fund balance - beginning	121,031	121,031	121,031	-
Fund balance - ending	\$ 52,887	\$ 2,375	\$ (5,221)	\$ (7,596)

See Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(DRUG COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amount		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Drug screen fees	\$ 52,400	\$ 39,150	\$ 39,408	\$ 258
Supreme court	251,000	247,260	245,946	(1,314)
Supreme court - TANF	157,000	112,740	114,054	1,314
Total revenues	\$ 460,400	\$ 399,150	\$ 399,408	\$ 258
Expenditures				
Small asset expenditures	\$ -	\$ 209	\$ 209	\$ -
Insurance expense	25,090	21,264	20,420	844
Internet access	641	549	549	-
Payroll taxes	1,299	1,157	1,161	(4)
Professional fees	188,000	187,938	187,938	-
Reference materials and dues	-	350	350	-
Rent	2,200	2,400	2,400	-
Retirement expense	10,975	10,675	10,662	13
Salaries	89,594	92,212	92,209	3
Seminars, meetings, and travel	-	1,830	1,946	(116)
Supplies	95,042	52,211	54,572	(2,361)
Total expenditures	\$ 412,841	\$ 370,795	\$ 372,416	\$ (1,621)
Excess (deficiency) of revenues over expenditures	\$ 47,559	\$ 28,355	\$ 26,992	\$ (1,363)
Fund balance - beginning	254,959	254,959	254,959	-
Fund balance - ending	\$ 302,518	\$ 283,314	\$ 281,951	\$ (1,363)

See Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(JUVENILE DRUG COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Drug screen fees	\$ 400	\$ -	\$ -	\$ -
Supreme court - TANF	152,000	120,000	117,374	(2,626)
Interest income	10	11	11	-
Total revenues	\$ 152,410	\$ 120,011	\$ 117,385	\$ (2,626)
Expenditures				
Asset expenditures	\$ -	\$ -	\$ -	\$ -
Small asset expenditures	1,000	400	-	400
Insurance expense	7,019	7,163	6,891	272
Internet access	-	86	86	-
Office supplies and postage	1,500	193	196	(3)
Payroll taxes	643	611	613	(2)
Professional fees	56,500	57,475	57,475	-
Reference materials and dues	-	50	50	-
Retirement expense	5,434	5,280	5,280	-
Salaries	44,361	44,757	44,757	-
Seminars, meetings, and travel	6,000	200	200	-
Supplies	29,543	4,019	4,046	(27)
Total expenditures	\$ 152,000	\$ 120,234	\$ 119,594	\$ 640
Excess (deficiency) of revenues over expenditures	\$ 410	\$ (223)	\$ (2,209)	\$ (1,986)
Fund balance - beginning	(22,106)	(22,106)	(22,106)	-
Fund balance - ending	\$ (21,696)	\$ (22,329)	\$ (24,315)	\$ (1,986)

See Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(REENTRY COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amount		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Supreme court	\$ 60,000	\$ 39,949	\$ 40,717	\$ 768
Interest income	4	6	6	-
Total revenues	\$ 60,004	\$ 39,955	\$ 40,723	\$ 768
Expenditures				
Insurance expense	\$ -	\$ 35	\$ 38	\$ (3)
Payroll taxes	-	1,397	1,452	(55)
Professional fees	25,500	20,250	20,250	-
Salaries	22,450	18,267	18,977	(710)
Seminars, meetings, and travel	4,350	-	-	-
Supplies	8,150	-	-	-
Total expenditures	\$ 60,450	\$ 39,949	\$ 40,717	\$ (768)
Excess (deficiency) of revenues over expenditures	\$ (446)	\$ 6	\$ 6	\$ -
Fund balance - beginning	5	5	5	-
Fund balance - ending	\$ (441)	\$ 11	\$ 11	\$ -

See Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Fiscal Year *</u>	<u>Employer's proportion of the net pension liability (asset)</u>	<u>Employer's proportionate share of the net pension</u>	<u>Employer's covered employee payroll</u>	<u>Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS)					
2015	0.0003841%	\$ 2,401,548	\$ 705,740	340%	65.00%
2016	0.0321300%	\$ 2,185,121	\$ 609,748	358%	62.70%
2017	0.0282200%	\$ 2,216,304	\$ 665,869	333%	57.70%
2018	0.0287800%	\$ 2,025,986	\$ 530,660	382%	62.50%
2019	0.0231000%	\$ 1,575,471	\$ 697,805	226%	64.30%
2020	0.0229300%	\$ 1,661,548	\$ 710,942	234%	62.90%
2021	0.0194200%	\$ 1,606,412	\$ 706,045	228%	58.00%
2022	0.0214140%	\$ 1,178,621	\$ 710,500	166%	72.80%
B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA					
2015	0.1892000%	\$ 51,718	\$ 1,242,323	4.16%	99.15%
2016	0.2152000%	\$ 566,352	\$ 1,292,676	43.81%	92.23%
2017	0.2330000%	\$ 479,871	\$ 1,381,831	34.72%	94.10%
2018	0.1907200%	\$ (141,561)	\$ 1,173,912	(12.06%)	102.00%
2019	0.1952630%	\$ 866,646	\$ 1,170,496	74.04%	88.90%
2020	0.1959600%	\$ 9,225	\$ 1,242,530	1.00%	88.90%
2021	0.1659700%	\$ (291,017)	\$ 1,108,531	(26.00%)	104.00%
2022	0.1715500%	\$ (808,082)	\$ 1,150,996	(70.20%)	104.00%

* Amounts presented were determined as of the end of the Court's fiscal year.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Fiscal Year *</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to contractually required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Employer's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS)					
2014	\$ 236,266	\$ 254,614	\$ (18,348)	\$ 705,740	36.1%
2015	\$ 233,460	\$ 249,993	\$ (16,533)	\$ 609,748	41.0%
2016	\$ 202,820	\$ 224,359	\$ (21,539)	\$ 665,869	33.7%
2017	\$ 213,438	\$ 213,438	\$ -	\$ 530,660	40.2%
2018	\$ 203,390	\$ 214,090	\$ (10,700)	\$ 697,805	30.7%
2019	\$ 169,438	\$ 190,272	\$ (20,834)	\$ 710,942	26.8%
2020	\$ 185,670	\$ 193,798	\$ (8,128)	\$ 706,045	27.4%
2021	\$ 163,356	\$ 197,955	\$ (34,599)	\$ 710,500	27.9%
2022	\$ 178,777	\$ 228,453	\$ (49,676)	\$ 665,554	34.3%
B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA					
2014	\$ 182,481	\$ 182,481	\$ -	\$ 1,424,838	12.8%
2015	\$ 170,323	\$ 178,874	\$ (8,551)	\$ 1,242,323	14.4%
2016	\$ 233,460	\$ 180,151	\$ 53,309	\$ 1,292,676	13.9%
2017	\$ 180,417	\$ 179,638	\$ 779	\$ 1,381,831	13.0%
2018	\$ 146,739	\$ 146,739	\$ -	\$ 1,173,912	12.5%
2019	\$ 134,607	\$ 134,762	\$ (155)	\$ 1,170,496	11.5%
2020	\$ 142,891	\$ 143,020	\$ (129)	\$ 1,242,530	11.5%
2021	\$ 135,795	\$ 135,855	\$ (60)	\$ 1,108,531	12.3%
2022	\$ 140,997	\$ 141,144	\$ (147)	\$ 1,150,996	12.3%

* Amounts presented were determined as of the end of the Court's fiscal year.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total OPEB liability, beginning of year	\$ 1,592,821	\$ 1,533,961	\$ 1,777,668	\$ 1,867,884
Changes for the year:				
Service cost	\$ 35,778	\$ 31,712	\$ 41,209	\$ 38,125
Interest	42,872	43,247	53,720	59,017
Changes in benefit terms	-	-	-	-
Differences between expected used actual experience	25,090	32,179	(20,926)	(77,312)
Changes of assumptions or other input	126,770	(16,833)	(285,106)	(68,749)
Benefit payments	(33,947)	(31,445)	(32,604)	(41,297)
Net changes	<u>\$ 196,563</u>	<u>\$ 58,860</u>	<u>\$ (243,707)</u>	<u>\$ (90,216)</u>
Total OPEB liability, end of year	<u>\$ 1,789,384</u>	<u>\$ 1,592,821</u>	<u>\$ 1,533,961</u>	<u>\$ 1,777,668</u>
Covered Payroll	\$ 504,332	\$ 517,235	\$ 547,000	\$ 546,981
Total OPEB liability as a percentage of covered payroll	355%	308%	280%	325%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF EMPLOYER'S CONTRIBUTION - OPEB
FOR THE YEAR ENDED JUNE 30, 2022

<u>Fiscal Year *</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to statutorily required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>The Court's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2017	\$ 40,969	\$ 40,969	\$ -	\$ 532,837	7.69%
2018	\$ 41,297	\$ 41,297	\$ -	\$ 697,805	5.92%
2019	\$ 41,297	\$ 41,297	\$ -	\$ 546,981	7.55%
2020	\$ 32,604	\$ 32,604	\$ -	\$ 547,000	5.96%
2021	\$ 31,445	\$ 31,445	\$ -	\$ 517,235	6.08%
2022	\$ 33,947	\$ 33,947	\$ -	\$ 504,332	6.73%

* Amounts presented were determined as of the end of the Court's fiscal year.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

Pension Plans:

Changes of Benefit Terms

A. Louisiana State Employees' Retirement System

There were no changes in terms for the year ended June 30, 2022.

B. Parochial Employees' Retirement System

There were no changes of benefit terms for the year ended June 30, 2022.

Changes of Assumptions

A. Louisiana State Employees' Retirement System

The discount rate has been decreased from 7.55% to 7.40% since the previous valuation.

B. Parochial Employees' Retirement System

For the actuarial valuation for the year ended December 31, 2021, the discount rate remained the same 6.40% as the actuarial valuation for the year ended December 31, 2020.

OPEB Schedules

There are no assets accumulated in a trust that meets the requirements, in paragraph 4 of GASB Statement 75, to pay related benefits.

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2022.

Changes of Assumptions

The discount rate has been decreased from 2.66% to 2.18% since the previous valuation.

Baseline per capita costs were updated to reflect 2021 claims and enrollment.

Medical plan election percentages were updated based on the coverage elections of recent retirees.

The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.

SECTION V
SUPPLEMENTARY INFORMATION

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

**Independent Auditors' Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Robert C. Johnson, Chief Judge
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fourth Judicial District Court, Judicial Expense Fund (Court), a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City Court of Monroe's basic financial statements and have issued our report thereon dated December 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Court's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Monroe's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 15, 2022

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

Schedule of Findings and Responses
For the Year Ended June 30, 2022

We have audited the component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund as of and for the year ended June 30, 2022, and have issued our report thereon dated December 15, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

Section II- Financial Statement Findings N/A

Section III- Federal Award Findings and Questioned Costs: N/A

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022**

There were no findings in the prior year report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE I - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS WITH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services Passed through the Louisiana Supreme Court				
TANF Cluster:				
Temporary Assistance of Needy Families	93.558			
Adult drug court		\$ 114,054	\$ 114,054	\$ 114,054
Juvenile drug court		117,374	117,374	119,594
Total TANF Cluster		\$ 231,428	\$ 231,428	\$ 233,648
Total U.S. Department of Health and Human Services		\$ 231,428	\$ 231,428	\$ 233,648

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the Fourth Judicial District Court. The Fourth Judicial District Court's primary government reporting entity is defined in Note 1 of the Court's financial statements. All Federal awards received directly from Federal agencies, as well as Federal awards passed through other governmental agencies, are included on this schedule. The Fourth Judicial District Court did not pass through any of its federal awards to a subrecipient during the year.

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Fourth Judicial District Court under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Swards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Fourth Judicial District Court, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Fourth Judicial District Court.

3. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. Fourth Judicial District Court does not utilize an indirect cost rate.

See Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE II - SCHEDULE OF JUDGES
FOR THE YEAR ENDED JUNE 30, 2022**

Division A	Judge B. Scott Leehy
Division B	Judge Sharon I. Marchman
Division C	Judge Wilson Rambo
Division D	Judge H. Stephens Winters
Division E	Judge Walter M. Caldwell, IV
Division F	Judge C. Wendell Manning
Division G	Judge Frederick D. Jones
Division H	Judge Larry Jefferson
Division I	Judge Alvin R. Sharp
Division J	Chief Judge Robert C. Johnson
Division K	Judge Daniel J. Ellender

See Independent Auditors' Report.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE III - BALANCE SHEET - SCHEDULE OF COMBINING ACCOUNTS
GENERAL FUND
JUNE 30, 2022**

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Assets				
Cash and cash equivalents	\$ 483,165	\$ 35,546	\$ 117,637	\$ 636,348
Accounts receivable	645	56	-	701
Due from other governmental units	68,334	1,408	-	69,742
Prepaid expenses and deposits	1,142	-	1,788	2,930
Due from other funds	10,000	-	-	10,000 †
Total assets	\$ 563,286	\$ 37,010	\$ 119,425	\$ 719,721
Deferred outflows of resources				
Deferred rent paid	\$ -	\$ -	\$ -	\$ -
Deferred maintenance costs	-	-	-	-
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ -
Total assets and deferred outflows	\$ 563,286	\$ 37,010	\$ 119,425	\$ 719,721
Liabilities and fund balances				
Liabilities				
Accrued and other liabilities	\$ 22,847	\$ -	\$ 3,406	\$ 26,253
Due to other governmental units	61,274	-	151,606	212,880
Compensated absences payable	19,396	-	-	19,396
Due to other funds	127	-	-	127 †
Total liabilities	\$ 103,644	\$ -	\$ 155,012	\$ 258,656
Fund balances				
Nonspendable	\$ 1,142	\$ -	\$ 1,788	\$ 2,930
Restricted	-	37,010	-	37,010
Unassigned	458,500	-	(37,375)	421,125
Total fund balances	\$ 459,642	\$ 37,010	\$ (35,587)	\$ 461,065
Total liabilities and fund balances	\$ 563,286	\$ 37,010	\$ 119,425	\$ 719,721

† After internal receivables and payables have been eliminated.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**SCHEDULE IV - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SCHEDULE OF COMBINING ACCOUNTS GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Revenues				
Court fees - Ouachita Parish	\$ 169,731	\$ -	\$ -	\$ 169,731
Court fees - Morehouse Parish	38,726	-	-	38,726
Court fees - Probation Review Court	2,265	-	-	2,265
Grant revenue	-	51,372	-	51,372
Warrant revenue - Ouachita Parish	-	-	979,157	979,157
Warrant revenue - Morehouse Parish	-	-	95,530	95,530
Interest income	716	-	218	934
Other income	-	-	2,361	2,361
Total revenues	\$ 211,438	\$ 51,372	\$ 1,077,266	\$ 1,340,076
Expenditures				
Asset expenditures	\$ 1,090	\$ -	\$ -	\$ 1,090
Small asset expenditures	9,905	-	-	9,905
Court reporter costs	3,839	-	-	3,839
Insurance expense	101,911	5,219	171,728	278,858
Internet access	7,206	-	-	7,206
Miscellaneous	434	-	902	1,336
Office supplies and postage	9,212	9,762	42	19,016
Payroll taxes	2,083	392	11,440	13,915
Professional fees	105,586	1,000	8,084	114,670
Reference materials and dues	3,780	275	-	4,055
Rent	10,108	-	-	10,108
Repair, maintenance, and warranty	2,165	-	-	2,165
Retirement expense	22,538	3,533	149,917	175,988
Salaries	145,171	29,501	741,643	916,315
Seminars, meetings, and travel	38,434	1,690	-	40,124
Telephone expense	10,041	-	-	10,041
Total expenditures	\$ 473,503	\$ 51,372	\$ 1,083,756	\$ 1,608,631
Excess (deficiency) of revenues over expenditures	\$ (262,065)	\$ -	\$ (6,490)	\$ (268,555)
Other financing sources (uses)				
Operating transfers in	\$ 250,000	\$ -	\$ -	\$ 250,000
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ 250,000	\$ -	\$ -	\$ 250,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (12,065)	\$ -	\$ (6,490)	\$ (18,555)
Fund balance - beginning	471,707	37,010	(29,097)	479,620
Fund balance - ending	\$ 459,642	\$ 37,010	\$ (35,587)	\$ 461,065

See Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE V - SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEADS
FOR THE YEAR ENDED JUNE 30, 2022

Chief Judge Robert C. Johnson
 (Chief Judge as of 01/01/21 - 12/31/22)

<u>Purpose</u>	<u>Amount</u>
Per diem	\$ -
Dues and Subscriptions	\$ 725
Travel:	
Mileage	\$ 539
Other reimbursements	\$ 1,384

See Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE VI - JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>06/30/2022</u>
MISDEMEANOR PROBATION FUND		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	24,379	32,330
Restitution	18,337	20,589
Probation/Parole/Supervision Fees	<u>234,045</u>	<u>225,036</u>
Subtotal Collections	<u>276,761</u>	<u>277,955</u>
Less: Disbursements To Governments & Nonprofits:		
Ouachita Parish Sheriff's Department, Criminal Court Costs/Fees	1,025	4,692
Indigent Defender Board, Criminal Court Costs/Fees	17,586	23,763
Criminal Court Fund, Criminal Court Costs/Fees	5,768	3,875
Less: Amounts Retained by Collecting Agency		
Self-Disbursed Probation/Parole/Supervision Fees	234,045	225,036
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Restitution Payments to Individuals	<u>18,337</u>	<u>20,589</u>
Subtotal Disbursements/Retainage	<u>276,761</u>	<u>277,955</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE VII - JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>06/30/2022</u>
JUDICIAL EXPENSE FUND:		
Receipts From:		
Morehouse Parish Clerk of Court, Civil Fees	\$ 3,765	\$ 4,830
Morehouse Parish Sheriff's Department, Criminal Court Costs/Fees	15,853	15,129
Ouachita Parish Clerk of Court, Civil Fees	10,267	18,981
Ouachita Parish Sheriff's Department, Criminal Court Costs/Fees	46,401	53,094
Subtotal Receipts	<u>\$ 76,286</u>	<u>\$ 92,034</u>

FOURTH JUDICIAL DISTRICT COURT
MONROE, LOUISIANA

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended June 30, 2022



CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judges of the Fourth Judicial District Court and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021, through June 30, 2022. The Fourth Judicial District Court's management (the Court) is responsible for those C/C areas identified in the SAUPs.

The Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021, through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

- I. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) *Ethics*², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: No exceptions noted.

*Board or Finance Committee*³

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget- to-actual, at a

² The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

⁴ Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

minimum, on all special revenue funds⁷. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings: No exceptions noted.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁶ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: No exceptions noted.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Collections (excluding electronic funds transfers)⁷

4. Obtain a listing of deposit sites⁸ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations⁹ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

⁷ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁸ A deposit site is a physical location where a deposit is prepared and reconciled.

⁹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: Two exceptions noted where the deposits was not made within one business day of receipt at the collection location.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹⁰. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)¹¹. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: No exceptions noted.

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

¹⁰ Including cards used by school staff for either school operations or student activity fund operations.

¹¹ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

¹² Non-travel reimbursements are not required to be tested under this category.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings: No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees and officials¹⁴ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

¹³ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

¹⁴ "Officials" would include those elected, as well as board members who are appointed.

- a) Observe all selected employees or officials¹⁵ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: No exceptions noted.

Ethics¹⁶

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings: No exceptions noted.

¹⁵ "Officials" would include those elected, as well as board members who are appointed.

¹⁶ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

Debt Service¹⁷

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: This test is not applicable as the Court has no outstanding debt.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted on its premises¹⁸ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁹

Findings: No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and

¹⁷ This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

¹⁸ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁹ This notice is available for download or print at www.la.gov/hotline.

observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings: We performed the procedures and discussed the results with management.

Sexual Harassment²⁰

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Findings: No exceptions noted.

Management’s Response

We concur with the results of the procedures and are working diligently to improve controls.

We were engaged by the Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do

²⁰ A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
October 31, 2022